

The complaint

Mr D complains that Topaz Finance Limited trading as Heliodor Mortgages reported missed payments on his credit file despite the fact that he was making monthly payments under his debt management plan.

What happened

Mr D holds a loan account with Heliodor. The loan is included in a debt management plan (DMP) which Mr D has entered into with Step Change.

Mr D made all of his monthly payments under the DMP. However, when he checked his credit file in late 2023, he noticed that a missed payment had been reported on his Heliodor loan.

Mr D contacted Step Change, who confirmed that they had sent payments to Heliodor and that no payments had been returned.

Mr D complained to Heliodor in December 2023. In its final response dated 17 January 2024, Heliodor said it reviewed the DMP with Step Change every 12 months. It said the previous arrangement it had with Step Change had expired in October 2023. Heliodor said it had received a new proposal from Step Change for a further 12 months arrangement, but it couldn't accept the proposal because the address provided for Mr D didn't match the address it held for him on its systems.

Heliodor said it hadn't received any further contact from Step Change and that it did not currently have a DMP set on its system. Heliodor said this meant that the DMP wasn't reported to Mr D's credit file in November and December 2023, and the account was being reported as in arrears, which was likely to be the change Mr D had identified. Heliodor said it wasn't upholding the complaint because it had reported a true reflection of Mr D's account to the credit reference agencies.

Mr D updated his address details with Heliodor online in December 2023.

Step Change sent a new proposal to Heliodor in February 2024. This was accepted and a new DMP was put in place on 16 February 2024. Mr D had continued to make payments throughout, which were accepted by Heliodor.

Having received Heliodor's final response, Mr D remained unhappy and brought his complaint to this service.

Our investigator upheld the complaint. He said that although Heliodor hadn't been sent a change of address notification, the evidence showed that they had continued to accept Mr D's monthly payments since the expiration of the previous DMP, and that because of this, Mr D's credit file should be retrospectively updated, and compensation paid.

Heliodor didn't agree. It said it was only able to report one flag to the credit reference agencies each month. It said that if two flags were in place on the account, a DMP and an

arrangement, the arrangement (AR) would be reported over the DMP as a matter of hierarchy, which is why the credit reporting showed AR rather than DMP. Heliodor said that as no DMP had been in place from November 2023, it hadn't made any errors in the reporting of the status of the account.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can see that Mr D's DMP was due to expire in October 2023. I can also see that prior to the expiry, Step Change sent Heliodor a proposal for Mr D to renew the payment plan for another 12 months. Step Change put Mr D's new address on the proposal because he had moved during the summer and had notified Step Change of his change of address.

When Heliodor received the proposal, it couldn't match the address to the address it held for Mr D on its records. I can see from the information provided by Heliodor that the proposal was rejected via the portal on 20 September 2023 because the address didn't match.

I can't see that Heliodor made any attempt to contact Step Change to advise them about the issue with the address. Nor have I seen any information to indicate whether Step Change would've been made aware that there was an issue with the address by some other means. Step Change didn't contact Heliodor again in September/October 2023 about the proposal, although it did continue to send payments on behalf of Mr D, so it seems likely that Step Change were unaware that the proposal had been rejected.

Heliodor has said that because there was no DMP in place following the expiry of the previous DMP in October 2023, it reported the account as being in arrears (as opposed to being in a DMP). This altered the way in which the account was shown on Mr D's credit file, which is what prompted him to contact Heliodor in early December 2023.

I understand why Heliodor reported the account as being in arrears. However, I can see that Step Change continued to send payments each month and these were accepted by Heliodor. Heliodor hasn't said that it wasn't able to match these funds to Mr D's account, so it seems likely that the funds were received and paid in. The statements provided by Heliodor support the fact that no payments were missed. That being the case, I don't think it was fair for Heliodor to report adverse information on Mr D's credit file.

The DMP was accepted by Heliodor when Step Change sent it again in February 2024. Based on what I've seen, Mr D had continued to make payments throughout.

Taking everything into account, I don't think Heliodor has treated Mr D fairly by reporting adverse information on his credit file. I agree with the investigator that Heliodor should retrospectively update Mr D's credit file and pay compensation for the distress and inconvenience caused to Mr D.

Putting things right

To put things right, Topaz Finance Limited trading as Heliodor Mortgages must retrospectively update Mr D's credit file and pay compensation of £100 to Mr D.

My final decision

My final decision is that I uphold the complaint. Topaz Finance Limited trading as Heliodor Mortgages must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 August 2024.

Emma Davy
Ombudsman